

**STATE FLEXIBILITY:
THE REPUBLICAN BILL ADDS MORE STATE FLEXIBILITY
TO THE PRESIDENT'S WELFARE REFORM PLAN**

Chairman Herger's Welfare Reform Bill (H.R. 4090) as introduced:

1. Maintains and updates "net caseload reduction" credit instead of phasing it out. This ensures future work rates will be meaningful, but allows States to satisfy rates by helping families leave and stay off welfare – just like the 1996 law.
2. Expects States to engage individuals in work or other productive activities for 40 hours per week, 4 weeks per month – or 48 weeks per year. This builds in a 4 week per year cushion to accommodate sick leave and other features of a typical worker's schedule.
3. Lets States transfer 50% of TANF funds (up from 30%) to child care and social services.
4. Allows States to spend more State funds on combating illegitimacy and strengthening families and then count the spending towards maintenance of effort (MOE) requirements.

H.R. 4090 as approved by the Ways and Means Human Resources Subcommittee:

5. Increases maximum TANF transfers to Social Services Block Grant to 10% each year.
6. Expects self-sufficiency plans only of families with a "work-eligible" adult.

H.R. 4090 as approved by the Full Ways and Means Committee:

7. Expands from 3 to 4 months the period in which education may count as work.
8. Provides new "superachiever" credit toward work requirements for 17 States with above average caseload declines between 1995 and 2001. Credit goes to: CO (12 percent maximum credit), FL (15), GA (4), ID (20), IL (14), LA (9), MD (5), MI (4), MS (10), NJ (2), NC (6), OH (3), OK (9), SC (5), WV (2), WI (16), and WY (20).
9. Allows for all current State waivers to continue until their expiration.
10. Maintains State Flex proposal, and deems application approved if Federal agencies fail to respond to State within 90 days.
11. Drops "consecutive" regarding 3 out of 24 month work requirement provision, allowing States to use these months at any time in the 2-year period.
12. Delays certain data reporting requirements by 1 year to accommodate local concerns.
13. Maintains full State discretion in establishing terms of self-sufficiency plans.
14. Allows exemption from full check sanction requirement for certain States with Constitutional or statutory requirement to continue assistance.

H.R. 4700 introduced May 9, 2002 (combines H.R. 4090 and other Committees' action):

15. Provides an additional \$2 billion in child care funds.
16. Expands the list of "State Flex" programs to include TANF, Food Stamps, Workforce Investment Act (WIA), Housing, and Child Care, among other programs.
17. Provides State option for TANF to become "mandatory partner" with WIA programs.
18. Maintains full flexibility for States in designing activities for 3 out of 24 months.